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MEMORANDUM FOR GENERAL SCHRIEVER

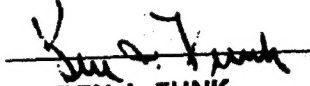
SUBJECT: ARPA Order #2-58

1. After a series of conferences with BMD, R-W and ARPA representatives concerning the above subject, my Staff have prepared the necessary implementing documents which will provide the basis for proceeding expeditiously with the project. Attached hereto are a proposed Determination and Findings and a summary Procurement Plan.

2. It is my understanding that the Determination and Findings will be signed by the Director of ARPA in his capacity as a Head of a Department co-equal with the military departments under the Department of Defense. The Charter for this new ARPA presumably encompasses all of the authorities delegated to Service Department Heads. As soon as we have been notified of the approval of the Determination and Findings and upon receipt of citation of funds, all contracts involved can be placed immediately.

3. I would like to point out that this project is being launched on a basis of sound authority and reflects an approach that in my judgment should have been taken in Project Able. Specifically, all subsequent actions will be placed upon clear-cut authority to follow special procedures; all interested elements of organizations concerned are fully coordinated at the start; and the entire procedure is one which can be fully justified if necessary at a later date by anyone simply by referring to the project documentation.

Incl a/n


BEN I. FUNK
Major General, USAF
Deputy Director, Ballistic Missiles
Directorate/Procurement & Production

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MEMORANDUM FOR THE SECRETARY OF THE AIR FORCE

SUBJECT: ARPA Order #2-58

1. Representatives from the Advanced Research Projects Agency, Messrs. Latta, Stumpier and Gise, visited my office this week with a draft copy of the above ARPA Order, copy attached. ARPA proposes to initiate the project on an exceptionally high priority basis generally in accordance with the terms of the draft. Specifically, I have been informed that the BMD/BMO organization here in Inglewood, together with the assistance of The Ramo-Wooldridge Corporation will undertake this project as a special task under ARPA direction.

2. In view of the fact that the concept of the ARPA organization is as yet untested, and until authorities and procedures are promulgated, it would seem appropriate that projects of this nature, which might be directed for management to the BMD/BMO organization, receive normal coordination and review at Air Force Secretarial level.

3. General Funk and I have reviewed the ARPA proposal and our staffs have, in consultation with the ARPA representatives and members of STL (R-W), developed a summary procurement plan and Secretarial Findings as a basis for proceeding. I was informed that the Secretarial determination with respect to selected source procurements will be accomplished by Mr. Johnson, Director of ARPA, and that funds required for accomplishment of the project will be allotted directly to my Comptroller from ARPA. Further that these actions will be accomplished within the next few days.

4. You will note that it is the ARPA desire to place this project under the contractual management of R-W, as weapons system contractor, pyramiding a subcontract structure composed of selected companies technically determined to be the most capable for the principle tasks. I am in accord, as is General Funk, with this approach as the one which will be most likely to produce the results desired at the earliest date.

5. Copies of the inclosed proposed Secretarial Findings and the procurement plan were furnished to Mr. Stumpier.

BEN L. FUNK
Major General, USAF
Deputy Director/Ballistic Missiles
Directorate/Procurement & Bond

B. A. SCHRIEVER
Major General, USAF
Commander

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ADVANCED RESEARCH PROJECTS AGENCY

Determination and Findings

**Authority to Negotiate a Selected Source Weapon System
Contract and Supporting Contracts**

The Advanced Research Projects Agency has initiated an exceptionally high priority project in accordance with ARPA Order No. 2-58, attached hereto. The Ballistic Missile Division, ARDC, and the Ballistic Missiles Office, AMC, jointly established under the Department of the Air Force, and located in Inglewood, California, have been selected to carry out this project under the direction of ARPA. I hereby find that time is of the essence in achieving the results desired which are of great importance to the national interest and national defense objectives.

I further find that the objectives of this undertaking can be achieved only through immediate issuance of prime and subcontracts to individual contractors selected as a result of technical evaluations accomplished by the RMD/RMB organization. A procurement plan that is responsive to the urgency of the requirement has been prepared by RMD/RMB and is attached hereto.

I hereby determine that the proposed project is for experimental, developmental and research work and is required in the national interest.

Upon the basis of the determinations and findings above, I hereby authorize the negotiation of contracts and subcontracts as stated in and for the specific purposes set forth in the ARPA Order referenced above and in accordance with the attached procurement plan pursuant to Section 2304 (a)(11) of Title 10 U. S. Code.

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[REDACTED]

However, recognizing the unique contractual arrangement already existing between The Rame-Wouldridge Corporation and the Air Force in the technical direction of the Ballistic Missiles Program, I further determine that the placement of these contracts does not in itself establish a precedent for follow-on procurement of like or similar effort from these particular contractors, nor is a precedent established for the placement of selected source weapon system contracts of this nature with The Rame-Wouldridge Corporation.

[REDACTED]

[REDACTED]

**PROCUREMENT PLAN TO IMPLEMENT
ADVANCED RESEARCH PROJECTS AGENCY
ORDER 12-56**

1. Upon receipt of the Determinations and Findings authorizing negotiation of a selected source weapon system contract and supporting contracts, a Letter Contract will be placed with The Ramo-Woodbridge Corporation for the system engineering and design, necessary subcontracting, integration, assembly, test, direction of launch and monitoring of the operation of the test vehicles. Estimated Cost - \$1,000,000.

2. The Ramo-Woodbridge Corporation will place sub-contracts with selected sources approved by the Ballistic Missile Division, ARDC, and the Ballistic Missile Office, AMO. Sub-contractors known at this time are:

a. Grand Central Rocket Company for modification to and development and testing of a motor (Vanguard) solid propellant rocket engine. The program will be for the most part concerned with modification of the present motor (Vanguard) third stage solid propellant engine so that it conforms to a set of more stringent operational requirements. Estimated Cost - \$700,000.

b. Thiel Chemical Company for design, development and qualification of a solid propellant retro-rocket engine and related components to be utilized for stage operation. Estimated Cost - \$100,000.

c. Hallamere Electronics Division (Stegler Corporation) for trailer mounted microwave receiving stations and airborne electronic components. Estimated Cost - \$875,000.

d. Aerojet-General Corporation for spin rockets. Estimated Cost - \$50,000.

3. Supporting prime contracts or supplements to existing contracts will be awarded by the Ballistic Missile Office for the first and second stage propulsion to Douglas and Aerojet, respectively, in accordance with Order 12-56.

4. A prime contract will be negotiated with a source to be selected after competitive evaluation to develop an improved third stage engine.

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5. The Letter Contract with The Rame-Woodbridge Corporation will be definitized within approximately 10-days after it is placed. Agreement has already been reached with The Rame-Woodbridge Corporation that if the weapon system contract is awarded, the cost of the subcontract with Grand Central Rocket Company will be non-fee bearing to Rame-Woodbridge, and will be eliminated from the estimated cost in determining fee. This determination and mutual agreement is made in recognition of departure from current policy under which propulsion contracts are normally direct primes under Air Force administration. Grand Central in this case is grouped under R-W as a subcontractor only in the interest of optimizing direct project management in an urgent program.

6. In order to achieve the results desired at the earliest possible time, it is considered necessary to contract with The Rame-Woodbridge Corporation on a selected source basis for complete weapon system responsibility. It would be extremely difficult and time delaying to conduct this one-time short range project through several associate contractors.

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